

**STATEMENT BY SONNY HALL, INTERNATIONAL PRESIDENT
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**BEFORE THE U.S. SENATE
COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION**

STATUS OF LABOR ISSUES IN THE AIRLINE INDUSTRY

APRIL 25, 2001

My name is Sonny Hall and I am international president of the Transport Workers Union (TWU), AFL-CIO, which represents 120,000 workers across America including 57,000 airline workers at a number of the major air carriers as well as at several regional airlines. I also serve as president of the Transportation Trades Department, AFL-CIO (TTD), whose 33 member unions, including all the major aviation unions, represent several million workers in the aviation, rail, transit, trucking, highway, longshore, maritime and related industries. Attached is a list of TTD's affiliated unions.

The working men and women who we are privileged to represent form the backbone of America's freight and passenger transportation system. Without these highly skilled and dedicated employees our transportation network and, in fact, our economy, would not be the world's finest and would fall short in meeting the expectations of the American people, communities and businesses of all sizes.

Mr. Chairman, Ranking Member Senator Hollings and Members of this Committee, let me first say

on behalf of TWU's hard working members that in our judgement the decision by the President and some in Congress to involve themselves in the collective bargaining process has not been helpful. In fact, in several instances Washington politics as usual has made it that much more difficult for unions and airline companies to achieve what I'm sure this Committee ultimately wants – voluntary collective bargaining agreements at the table without government intervention.

We understand that as the process of collective bargaining advances, policy leaders and the traveling public become frustrated and voice concerns about the possibility of air service disruptions. We at TWU negotiate to make agreements, not to prepare for strikes. The strike is a tool of last resort and we take our responsibilities at the bargaining table seriously because our duty is to advance the economic interests of our members through the processes dictated by the Railway Labor Act (RLA) which, if applied fairly, has proven successful in producing negotiated settlements. While the concerns of Congress and the public are understandable, any attempt by our government to interfere in private negotiations or to impose settlements on the parties, will only serve to further destabilize labor-management relations and to make service disruptions more likely in the future.

Let me place the subject of today's hearing in a proper context. The airline industry, for its part, is at a cross-roads, as it struggles to meet soaring demand in the passenger and cargo sectors. Airline employees, like travelers, businesses and Members of Congress, share the same frustrations – the nation's airports and airways system is in the midst of an unprecedented capacity crisis. And unfortunately this crisis is fueling anger and disgust over unacceptably high numbers of flight delays and cancellations, poor service to many communities, angry customers accompanied by often shocking instances of air rage, and, unfortunately, too much finger pointing.

We fear that high profile, politically volatile venues such as today's hearing only contribute to these problems and offer little in the way of solutions to the airline industry's real problems that we all agree must not be left unchecked.

If this Committee wants to play a leadership role – as it has – in addressing these chronic problems, then perhaps it should accelerate its effort in dealing with and looking into these facts:

- passenger and freight air transportation volume is projected to continue soaring in the next two decades well beyond U.S. airport capacity;
- far too many major airports are incapable of handling any more volume, resulting in historically poor operational performance by carriers that in turn is inspiring rage and dissatisfaction among passengers;
- air traffic control modernization must be accelerated; and
- America has virtually stopped building new airport capacity and has allowed much needed runway expansion to come to a screeching halt due to excessive project delays.

We believe this Committee must delve into these issues and many others affecting the state of the airline industry. But spending the time and resources of this Committee on what Congress and President from both parties have long recognized as private collective bargaining matters, is counterproductive and ultimately damaging to the delicate balance needed to produce voluntary agreements such as the most recent Delta-Air Line Pilots Association (ALPA) tentative deal as well as the settlements reached in 1999 between USAirways and the Association of Flight Attendants and Northwest and ALPA in 1998. While all three of these negotiations were difficult and often acrimonious, they all resulted in voluntary agreements without the heavy hand of government intervention.

Mr. Chairman, that is the way the process works. Despite our misgivings about certain aspects of RLA procedures, the law has worked for many decades in producing voluntary agreements and, in fact, only three times in 33 years has our government chosen to intervene and appoint a Presidential Emergency Board (PEB). Attached please find a chart illustrating the history of PEBs in the airline industry. Recent analyses show that 97 percent of airline labor-management disputes are resolved without strikes or lock-outs.

That is not to say that the process is perfect. Every union that negotiates under the RLA, with the assistance of the National Mediation Board (NMB), is frustrated with its operation. Agreements do not expire and instead become amendable 60 days prior to their termination. Unfortunately, because drawn out mediation, often measured in years, has become an all too common component of the RLA, the termination date of contracts is almost meaningless. And worst of all, the airlines have come to count on tacking extra years into agreements and then fighting its unions over retroactivity.

Many mediations last so long that a particular group of workers may go through several economic cycles, and even significant changes in operation, in the course of a single negotiation. But in the end, there needs to be a credible possibility that both sides will be able to avail themselves of their self-help options if there is any hope that the parties will engage in good-faith give and take at the bargaining table and reach voluntary agreements. It is that simple and fundamental.

Indeed, the process is imperfect but I do not appear before this Committee asking for your assistance in dealing with these problems. In fact, if you draw anything from my testimony it is that we want Congress and the Administration to avoid injecting itself into the bargaining process and let this time honored, albeit imperfect, system run its course.

I must also state my grave concern with President Bush's recent statements that he intends to use his authority to "stop strikes" any time a union at a major carrier is released from mediation. We were puzzled by the President's statements because it is not clear whether he intends to intervene without regard to whether he is in receipt of the appropriate recommendation from the NMB or whether there is actually a national transportation emergency.

The fact that the President and his spokespersons have chosen to warn airline passengers about "strikes" is not only highly inappropriate, but came at a time when several negotiations at major airlines were reaching delicate stages. These actions are perceived – with justification – by our members as President Bush intervening in bargaining and labor-management relations on the side of airline companies. That stance was harmful and exposed the bias of President Bush and his Administration against the hard working crafts we represent at American Airlines and the other air carriers where sensitive negotiations are ongoing.

Our members also understand something else: for some politicians, government intervention is a proper tool – only when airline companies and their force of hired guns swarm on the West Wing and Congress to ask for it. But in the Eastern Air Lines tragedy more than a decade ago, one of the darkest chapters in the history of aviation, suddenly intervention was a bad idea despite the fact that Eastern boss Frank Lorenzo had steered the process on a blatantly orchestrated collision course that assured Eastern's destruction.

The unions, including TWU, chose as a last resort to ask former President Bush to empanel a PEB, thereby halting the strike and stopping Lorenzo's clear plan to destroy this airline and 45,000 jobs. Despite the fact that the Chairman of the NMB recommended a cooling off period and PEB, then President Bush

refused to step in because he believed to do so would be unwarranted intervention in the bargaining process. It should come as no surprise that since that time in the very few times when PEBs were appointed during airline disputes, all were supported by airline management and opposed by unions.

I hope this Committee understands the damage this sort of uneven application of the process does to the confidence of working people in the government's role as a neutral facilitator of the collective bargaining process. To the extent this Committee feels it is necessary to involve itself in airline labor-management relations – which I strongly urge against – I hope you will consider a role that restores this confidence.

We are not naive about the politics of airline industry collective bargaining. We understand how the volatility of negotiations can translate into heightened public concerns about air service disruptions. We also understand that elected leaders must answer and respond to public outcry whatever form it takes.

But I urge this Committee and the entire Congress to use its powers with care and to urge the President to do so as well. For the President of the United States to urge unions and airlines to redouble their efforts at the bargaining table and settle their difference outside of the government is both an appropriate and responsible use of the enormous powers of the Oval Office.

Similarly, the decision by a Member of Congress to reason with labor and management and urge them to resolve their differences at the bargaining table without inconveniencing the public is also appropriate.

Unfortunately, some want to do much more. Our members are simply exercising their right to bargain collectively, just as airlines are exercising their right to protect their economic interests at the bargaining table. There is nothing new or unique about the current round of collective bargaining.

The fact is that we are again seeing voluntary agreements like the Delta-ALPA tentative deal

despite the inappropriate interference of Washington in the bargaining process. Please consider the power of your words and actions as the various negotiations move forward at American, United, Southwest and other air carriers.

Just one inflammatory comment about strikes and disruptions from powerful elected leaders can set back negotiations weeks, if not months. The bargaining process is very much dictated by leverage and the relative strength of two parties. An even handed application of the law, combined with calm from our elected leaders in the White House and Congress, gives negotiators the best chance to reach voluntary agreements.

Unfortunately, when the bargaining process is contaminated by undue political interference we fear the worst outcome – both sides posture at the bargaining table and permit a closed door process to play out in the news media, the West Wing and in the halls of Congress. This has never been a recipe for productive collective bargaining and, we fear, makes the threat of service disruptions, strikes and lockouts self-fulfilling.

To sum up, we do not and will not apologize for exercising our rights under the law to seek new collective bargaining agreements that ensure secure jobs and top wages and benefits for our members. Private airline businesses do so everyday as they use whatever tools they have at their disposal to achieve a desired outcome. And more often than not it is the conduct of employers and their paid lobbyists – such as their typical pursuit of government and congressional involvement – that poisons the process and injects divisive forces into collective bargaining.

TWU cannot dictate the actions of our elected leaders, nor can we control the conduct of airline management at the bargaining table. We can, however, advance the interests of our members and I assure

this Committee that we intend to do just that on behalf of the tens of thousands of airline workers we are proud to represent.

If Congress wants to play any role in this process, a simple message must be sent to all parties: settle your disputes at the negotiating table and don't rely on politics and government intervention to replace serious bargaining. It is only in this environment that airlines, employees and customers will be able to enjoy long-term stability and certainty in the safe delivery of aviation services.

Thank you.